

EXECUTIVE – 5 JUNE 2013

REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)

REVIEW OF THE HOUSING ALLOCATIONS POLICY

WARDS AFFECTED: ALL WARDS



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. **PURPOSE OF REPORT**

- 1.1 To propose an updated Housing Allocations policy in the light of changes introduced by the Localism Bill 2011 and the 'Allocation of accommodation: guidance for the local housing authorities in England, June 2012'. This includes guidance to ensure that members of the Armed forces and their families are given additional preference for social housing as pledged by the Government through the Military Covenant.

2. **RECOMMENDATION**

- 2.1 The Executive:
- 2.2 Note the changes and approve the proposed changes to the Allocations Policy as detailed in Appendix A to this report.
- 2.3 Note and agree the changes in property eligibility type for various households sizes.
- 2.4 Agree to the Chief Housing Officer (Housing, Community Safety and Partnerships) and Executive Member for Housing to have delegated authority to make any amendments to the policy as appropriate and to determine the implementation date of the revised policy.

3. **BACKGROUND TO THE REPORT**

- 3.1 Since 2011, Hinckley & Bosworth Borough Council has worked in partnership with the 6 other Councils in Leicestershire to provide a joint choice based lettings scheme across Leicestershire. We have an agreed statement of shared policy and common elements in our procedures, including the assessment banding criteria, to ensure we all have a consistent approach. This amended policy has been reviewed in conjunction with these partner Councils.
- 3.2 The Localism Act 2011, which came into effect in June 2012, gave local authorities the freedom to make changes to their housing allocation policies in order to manage their waiting lists more effectively and to address local needs and circumstances, as well as incorporate statutory requirements. The emphasis of this guidance was that social homes should go to people who genuinely need them. There are currently 2051 households on our housing register.
- 3.3 In order to inform this review, we have held joint consultation events with Registered Providers (Housing Associations) and with statutory and voluntary support agencies to ensure that the proposed changes do not have a negative impact on any specific group of people. It also incorporates recommended changes following an operational review of the Choice Based Lettings scheme in mid 2012.
- 3.4 Key areas of change are;
- Amendments to the eligibility and exclusion rules

- Changes to housing need bands
- Changes to property type and size eligibility
- Changes to number of bids and refusals

Please see Appendix A for a summary of proposed changes.

- 3.5 The Localism Act also allowed us to consider `local community contribution` as part of our eligibility criteria. Having considered how this could be defined, evidenced and monitored we decided not to include this as a separate criterion for inclusion on the housing register. The changes made to the local connection criteria reflect that the majority of home seekers are making a contribution to the local economy and therefore it is not necessary to take account of community contribution in the assessment of housing need.
- 3.6 Due to Welfare reform, the housing benefit changes which came into force in April 2013, will affect the potential maximum amount of housing benefit some of our tenants and potential tenants will receive. With this in mind, the current eligibility criteria would mean some households who are on benefits would only be eligible for properties, where housing benefit would not fully cover the rent. Also we have properties which are being under occupied and have ever increasing numbers on the housing register. To allow for greater flexibility, choice and better use of our housing stock we are proposing the following changes to the eligibility criteria;
- 2 bed houses - change the maximum age of a household with single child from 13 yrs to 16yrs and change to allow households with 2 children both under 10 yrs to also be eligible.
 - 2 bed flats - To allow children of any age to be eligible to live in flats, currently it is only children over 13 yrs or where a household has access to a child. Also change to allow household with 2 children both under 10 yrs to be eligible.
- 3.7 The proposed changes will require every housing register application to be reassessed in accordance with the new policy. Alongside this, the IT system, Arbritras, will require development to incorporate the changes. The development, testing and delivery of the IT system will inform the implementation of the new policy and as such it is requested in recommendation 2.4 that the implementation date is delegated to the Chief Officer (Housing, Community Safety and Partnerships) and Executive Member for Housing to determine.

4. FINANCIAL IMPLICATIONS (KB)

- 4.1 The Abritas computer operating system which holds the housing register and runs the choice based lettings scheme will need to be reconfigured with the new policy changes. The cost will be split between the 7 partner Councils. An amount has already been put into the 2013/4 budget to account for this upgrade.
- 4.2 Additional staff costs will be incurred as all households currently on the HBBC housing register will need to have their circumstances reassessed against the new policy.
- 4.3 New leaflets and scheme guides will need to be designed and printed.
- 4.4 In all cases, the cost of these changes will be funded by the Choice Based Lettings budget. A request for a carry forward for the relevant amount was made as part of the 2012/2013 outturn process

5. LEGAL IMPLICATIONS (AB)

5.1 Contained in the body of the report

6. CORPORATE PLAN IMPLICATIONS

6.1 The amended policy will fall within the aims of decent, well managed and affordable housing and strong and distinctive communities.

7. CONSULTATION

7.1 The review of the policy involved;
The 7 Leicestershire District Councils,
The Registered Social Landlords which use the Leicestershire CBL system
Voluntary and Support agencies
Customer feedback from a questionnaire in July 2012
Formal consultation for this policy took place between 20th March 2013 and 19th April 2013. A summary is provided in Appendix B. No comments were made which would alter the proposed policy as it stands.

7. RISK IMPLICATIONS

8.

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Non compliance with recent legislation and risk of legal challenge	Adoption of amended policy.	Patricia Lavender
Increased rent loss due to affordability issues for some tenants if the household eligibility criteria is not amended to take account of housing benefit changes due in Apr 2013	Adoption of amended policy	Patricia Lavender
Reputational damage and potential for RSL's to leave the Leicestershire CBL scheme if improvements not made to Policy and operation of CBL scheme	Adoption of amended policy	Patricia Lavender

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

In creating the proposed policy, we invited voluntary and support agencies that support tenants and households seeking housing, to be included in its development, to contribute ideas and challenge any proposals. Their comments informed this policy and the future operation of the CBL system. An equalities impact assessment was undertaken by Blaby District Council on behalf of the CBL partnership group which this covers this policy.

The proposed eligibility changes should be of benefit in all areas, as the proposed changes could lead to better use of stock, especially in those areas of high demand but limited supply, such as some rural areas. This should help to improve village continuity and lead to thriving local communities.

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Part VI Housing Act 1996
Localism Bill 2011
DCLG Allocation of Accommodation: guidance for local housing
authorities in England 2012

Contact Officer: Tricia Lavender x5638

Executive Member: Councillor Micheal Mullaney

Appendix A- Proposed Policy Changes

	Proposed Policy Changes	Reason for change/Impact
<p>Definition of Local Connection</p>	<p>Sub-Regional Connection We are proposing to restrict entry onto the housing register to only those people who have a defined local connection with one or more of the authorities in the scheme (except in exceptional circumstances). Examples of exceptions might be households fleeing the threat of violence or Armed Forces and former service personnel or bereaved spouse and civil partners of members of the Armed forces who are leaving service accommodation.</p>	<p>Collectively there are 11790 home seekers on the Leicestershire housing register. 494 of them have no local connection to the Leicestershire districts. Those with no 'local connection' are currently placed in the Low housing need band.</p> <p>Managing applications on the register is a cost to the authorities in the scheme and by restricting applications in this way we will reduce costs, reduce the time spent managing unrealistic housing expectations, and ensure that we are addressing local housing need.</p> <p>The Allocation of accommodation Guidance issued by CLG stipulates that Members of the Armed Forces and the Reserve Forces should not be disqualified from entry to the housing register on the grounds that they do not have a local connection with the authority's district where the application is made within five years of discharge.</p>
<p>District Connection</p>	<p>Definition of District Level Connection Add to 'Currently reside on a permanent basis in the district' with, 'Currently reside on a permanent basis in the district and have lived in the district for at least the last six months'.</p>	<p>There are currently six rules used to define a district connection and anyone establishing one or more of these criteria is considered to have a valid 'local connection' with the district. The first of these is 'They currently reside on a permanent basis within the district'. This means that someone who has just moved to our district can claim a 'local connection' if they do not meet any of the remaining five criteria. By introducing a qualifying period of six months we will reduce the numbers of applicants to join the register who are not employed in the district, or have parents, guardians or siblings living in the district for</p>

		at least 5 years
Eligibility and Exclusion Rules	<p>Who is not eligible to join the housing register:</p> <ul style="list-style-type: none"> • Applicants with no local connection to any of the seven districts within the scheme • Home seekers who have the financial means to meet their own housing needs. This would be determined by assessing whether the joint home seekers' income, joint savings or equity exceed the threshold set for the relevant district. The exception to this would be those who demonstrate a support need for supported, sheltered, or extra care housing, which they cannot purchase/rent on the open market • Applicant considered to be unsuitable to be a tenant (although such exclusions will be justified by the authority and proportionate to the reason for exclusion) 	<p>Restricting applications to join the housing register to only those home seekers who can demonstrate a 'local connection' with one of the seven district authorities will impact on approximately 500 home seekers currently on the housing register. However, this will reduce administration of those applications when there is little prospect of being re-housed.</p> <p>We have been more explicit about excluding home seekers who we assess to have the means to address their own housing needs and have refreshed the figures used for Affordability calculation purposes.</p> <p>We have also been explicit about applicants considered to be unsuitable to be a tenant or lack the capacity to sustain a tenancy (although such exclusion must be justified and proportionate taking into account their housing need). Examples include:</p> <ul style="list-style-type: none"> • behaviour likely to result in granting an outright possession order • Owing a housing related debt greater than £300 and there is no evidence of willingness to reduce/repay the debt • Having been convicted of violence toward a partner or members of family • Obtaining a tenancy by deception or subletting without permission of the Landlord

		<ul style="list-style-type: none"> • Committing certain criminal offences in or near the home, for example drug dealing and/or posing a threat to neighbours, the community staff from the Council, the Council's contractors or Registered Providers and their Contractors. • Where the applicant is not considered to have the mental capacity to enter into a tenancy agreement <p>This demonstrates to applicants that they must address debt and behaviour issues which assists landlords in the management of their properties and protects staff.</p>
<p>Changes to housing need bands</p>	<p>Low Band Private tenants, tied tenants and social tenants (in assured or secure tenancies), who are adequately housed with no medical/welfare or exceptional need to move will be assessed in low housing need in addition to those already specified</p> <p>Note: Social tenants with Introductory Tenancies will normally not be eligible to register for a transfer through the scheme until their tenancy becomes an assured tenancy</p>	<p>Renting affordable accommodation in the private sector provides adequate settled accommodation and if there are no other housing need factors present requiring urgent housing they are considered to be in Low housing need.</p> <p>Part 7 of the Localism Act presents new powers for local authorities to choose whether to adopt the power to discharge their homeless duty into the private rented sector. This indicates that the Government considers this tenure to be an adequate housing option even for those who present as homeless.</p>
	<p>Medium housing need band We have re-defined 'Poor housing conditions' and overcrowding.</p> <p>We propose including home seekers in this band who have permanent employment within the Leicestershire scheme area, and they need to move closer to work to prevent financial hardship.</p> <p>We also propose including home seekers in</p>	<p>The new proposed wording follows the HHSR guidance for clarity and consistency across all tenures.</p> <p>We recognise rising fuel costs and the impact of the Welfare Reform may cause financial hardship for some households which could be eased or resolved by a move to alternative accommodation. This aspect of Welfare need has not previously been defined in the current policy and we recognise the need to do so in order to alleviate hardship.</p>

	<p>this band who are suffering financial hardship and having difficulty in meeting their housing costs.</p>	
	<p>High housing need band We propose to include Transfer home seekers who are under-occupying a home and are affected by Welfare Reform in this band</p> <p>It is proposed to reduce the length of time home seekers are placed in High housing need band from 24 weeks to 16 weeks.</p>	<p>This amendment will release units of social housing that are in high demand for use by other home seekers on the housing register and will reduce the transferring tenant's financial hardship.</p> <p>Currently those home seekers assessed with High housing need are able to bid on up to three properties in each fortnightly cycle for a period up to 24 weeks. It is hoped that by reducing the time in High housing need band will focus the home seeker on choosing a property more quickly. In some areas, suitable properties may not have been advertised during this period but the facility to review the housing need band at the end of the proposed 16 week period remains as there could be justification to extend for example where suitable properties were not available.</p>
	<p>Priority housing need band We propose to reduce the length of time home seekers are placed in Priority housing need band from 12 weeks to 8 weeks.</p> <p>We propose to include provision for the host authority to reserve the right to place bids for home seekers on suitable properties to meet their needs where they have failed to bid in any advert cycle. In addition we will make specific reference in the policy to the host district, retaining the right to discharge the authority's statutory homeless duty by one suitable offer of accommodation in week 7/8 of the priority period.</p>	<p>Currently those home seekers assessed with Priority housing need are able to bid on up to three properties in each fortnightly cycle for a period of up to 12 weeks. It is hoped that by reducing the time in Priority housing need band, home seekers will be more focused on choosing a property to address their emergency need for housing.</p> <p>Some authorities may not have sufficient vacancies of a suitable size or type during this period, the facility to review the application is in place the length of any extended Priority will be determined by the host district's Housing Manager.</p> <p>Some home seekers will be assessed in Priority band because they are homeless and the authority has a statutory duty to assist with re-housing. Reducing the time in priority will reduce uncertainty</p>

	<p>Where the home seeker or their district authority has bid and the home seeker has been offered a property (at any time throughout the Priority period) that offer will constitute a suitable offer of accommodation in discharge of the authority's duty under Part VII of the Housing Act 1996 as amended.</p> <p>We propose to insert the following wording into the policy '<i>Offers of accommodation to discharge the authority's homeless duty can also be made in the private rented sector where the host authority has a private rented sector offer policy</i>'</p>	<p>for the family and will reduce the cost of providing temporary accommodation (if they are living in Bed and Breakfast accommodation).</p> <p>Part 7 of the Localism Act brings new powers to local authorities in discharging their duties to homeless households. Individual local authorities can choose whether or not to adopt the power to discharge duty into the private rented sector which is something the districts in Leicestershire will be considering in the future. Inclusion of this wording in the policy now will avoid the need for amendment if in the future the authority develops and agrees a Private Rented Sector Offer Policy.</p>
	<p>Minimum Bedroom Standard We propose to mirror the bedroom standards set out by Housing Benefit regulations: A separate bedroom is normally needed for:</p> <ul style="list-style-type: none"> • Every adult couple, or single parent • Person aged 16 years or more • Two adolescents aged 10-15 years of the same sex • Two of children aged under 10 years regardless of sex <p>We are proposing to change the time at which an unborn child counts for housing purposes as a child from within six months of expected date of delivery to within three months</p>	<p>Aligning the bedroom need calculation will reduce the opportunity to occupy properties larger than needed and reduce associated affordability issues</p> <p>The housing benefit regulations do not recognise an unborn child for a bedroom need until it is born. It is not practical for the household to be housed in a property that would be too small for the family once the baby is born. Providing the property is affordable at the time of the tenancy being signed, the Registered Providers are agreeable to this.</p>
	<p>Refusals Currently applicants who fail to respond to seven suitable offers of accommodation or fail to attend seven arranged viewings or</p>	<p>Our policy will reflect that home seekers who are assessed in housing need will continue to have the opportunity and choice to bid on suitable properties to meet their needs. However, we recognise that</p>

	<p>refuse seven offers of tenancy will have their application suspended for up to six months. We propose to reduce this from seven to three.</p>	<p>Landlords have experienced difficulties in contacting applicants who have bid and/or experienced applicants arranging viewings that they do not attend and making offers of tenancies which are then not accepted. This results in abortive administration time as well as having the potential to increase void periods which has a financial impact for the Landlord.</p>
	<p>Bids Changing the number of bids a home seeker is able to make each advertising cycle from three to two.</p>	<p>When the Leicestershire cbl scheme was introduced it was agreed to enable home seekers to bid on up to three properties in each advertising cycle.</p> <p>Recent consultation with Landlords suggests they would welcome the reduction as they are experiencing difficulties where the same home seeker is matching first on several properties and it can cause delays in the lettings process as they are only able to move on and offer other shortlisted home seekers the tenancy once the home seeker who has matched first has either accepted or rejected an offer.</p>
<p>Community Contribution</p>	<p>We have considered how this could be defined, evidenced and monitored and the difficulties this would pose. This is an aspect that can be taken into account when assessing housing need but is not mandatory. Currently we feel the changes made to the local connection criteria reflect that the majority of home seekers are making a contribution to the local economy and therefore it is not necessary to take account of community contribution in the assessment of housing need.</p>	
<p>HBBC Eligibility criteria</p>	<p>Currently we limit households eligible to bid for a 2 bed houses to those where a single child is under 13 yrs. Households with a single child over 13 are</p>	<p>Due to HB changes and pressures on our stock, we are proposing to amend these criteria to allow for greater flexibility in use. 2 bed houses- for one child households, to increase</p>

eligible for a 2 bed flat. 2 bed flats are also used for single/couple who have access to children

the maximum age to 16 yrs AND to also allow families with 2 children both under 10 yrs to be eligible
2 bed flats- to allow all households with one child of any age to be eligible for 2 bed flats, to allow households with 2 children both under 10 yrs to be eligible.

Appendix B

Consultation feedback- Allocations Policy 2013

The Consultation period ran between 20March and 19th April 2013.

The proposed policy and consultation questionnaire was emailed to Registered social housing providers, supported housing providers, voluntary agencies. It was also linked to the Choice based lettings website and the Hinckley & Bosworth Council website.

Total responses to the Consultation=4

1 responded by email

3 respondents replied to the CBL questionnaire

Comments:

1. High housing need band -Any tenant that is considering relocating due to underoccupancy should be able to apply for as many properties as they are able, should not be restricted to 3 in a fortnight. Also will a 16week cut off prevent such moves occurring?

2. Priority band- raises issues with accessibility to resources eg Shops for some given how rural the county is.

3. Priority band- I think you need to make the amendments highlighted for greater clarity(the fact that time in the priority band can be reviewed if not sufficient vacancies arisen within the priority time period)

4. Medium band- to need to move to prevent financial hardship -think this is a very good idea

Changes	Agree	Disagree
Redefine local connection	3	
redefine district connection	2	
Change eligibility rules	2	1
Change to low band	2	1
Change to Medium Band	3	
Change to High band	2	1
Change to Priority band	1	2
change to minimum bed standard	3	
Change to number of refusals	2	
Change to number of bids	3	
Community contribution	1	1